

Division of Marketing
Agricultural Development and Diversification (ADD) Program
1991 Grant Final Report

Grant Number 06025

Grant Title Marquette County Farm Produce Cooperative (Phase 2)

Amount Awarded \$20,750.00

Name Juanita McDowell

Organization Marquette Co. Farm Produce
 Montello

E-Mail

WEB

Department Contact: DATCP - Marketing - ADD Grants
PO Box 8911 Madison, WI 53708-8911
Tel: (608)224-5136
<http://datcp.state.wi.us>



MARQUETTE COUNTY FARM PRODUCE CO-OP

P.O. Box 338 Montello, Wisconsin 608-297-9153

COOPERATIVE MARKETING OF FRESH PRODUCE

Nature of the Project

The Marquette County Farm Produce Cooperative was formed as a way of marketing fresh produce directly to the consumer. The Market's first year was the summer of 1989.

How the Grant Helped the Project

As with any new business, advertising and consumer awareness is difficult. The 1990 ADD Grant allowed us to increase our advertising coverage of the Market. In addition, the Grant enabled us to experiment with new products and different hours of operation, that we would not have done without the additional funding.

Benefits to Farmer

The market for fresh fruits and vegetables is large and growing. A method is needed to get the products from the farm to the consumer. We think a cooperative approach is the way to go. This allows the farmer the opportunity to grow extra products, but does not tie up his or her busy time selling at traditional "farmers markets". The cooperative idea also allows farmers to pool their products for shipment into grocery stores who want to sell Wisconsin fresh produce. The potential growth in retail sales is almost unlimited, so the potential for income to the farmer is significant.

Potential Economic Impact

According to USDA figures, consumption of fresh vegetables has risen each year. Consumers are becoming more health and diet conscious. Food safety is a concern to many people. Consumer surveys show that freshness, locally grown and high quality are the reasons consumers want to buy directly from farmers. This is a large business in Wisconsin, and it is growing. If the cooperative approach to direct marketing proves successful, then more farmer/growers can produce the products, but still spend considerable time with their regular farming business. Smaller growers, can also market their products without the usual time committed to sales. We believe the potential economic and diversification impact is significant.

Market Hours

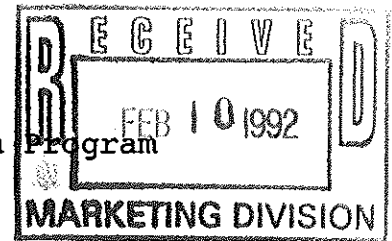
Season: End of May through end of October

Days: Thursday through Monday

Hours: 10:00 a.m. until 7:00 p.m.

MK-DD-2.2
7/23/91tb

Agricultural Development and Diversification Program
3rd Round Grant Progress Report



Date: February 7, 1992

Project Title: MARQUETTE COUNTY FARM PRODUCE CO-OP. PHASE II

WDATCP Contract No.: 60 25

Contractor Name: Juanita McDowell, President

Project Leader: _____

Progress Report For (Dates) 16 November - 31 December 1991

This report is submitted in fulfillment of Appendix A of the contract. The reports should: summarize project activities and key results for the reporting period, and; describe project activities and results expected during the next phase of the project. Attach a summary of project expenditures for the reporting period (MK-DD-1.2 - Grant Project Invoice - Third Round Grants [green form] with supporting documentation).

FINAL REPORT: ADD GRANT 6025

The Co-op expected certain results as a consequence of using ADD funds.

County membership in the Co-op increased by 8 members to a total of 33.

This was a good increase in both products and producers.

The Wisconsin Farm Fund Inc. (WFFI) established a "Farm-City Link" setting up markets for produce at Milwaukee Churches. This was piloted in 1990 and expanded for 1991. Almost \$7,000.00 worth of product was sold to WFFI in 1991, which was less than expected, but still a substantial amount.

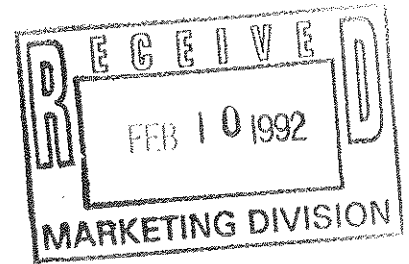
A chain of retail stores in the Milwaukee area bought product from the Co-op. This outlet brought in over \$4,000.00. Again this was less than anticipated.

Sales through the actual Co-op market dropped slightly in 1991. This was partly due to a later opening date (as compared to 1990).

Some progress was made in selling product to the U.S. Government for a

Attach Additional Information If Needed

FINAL REPORT: ADD Grant 6025 (Continued)



local prison. About \$1,000.00 was sold.

The Co-op was able to market products through the SHARE Organization. About \$9,500.00 of income was generated through these sales.

Money returned to the growers as a result of all these sales went from about \$6,000.00 in 1990 to over \$26,000.00 in 1991. This was a significant increase and certainly meets the Co-op objective of getting more spendable dollars to its members.

Despite an increase in sales and the opening of new markets, there were some problems:

1. The markets in Milwaukee were ordering in small quantities (especially at first) so trucking expense was disproportionately too high.
2. The retail stores were difficult to work with - small orders, refusing produce a week after it was delivered, and very slow to pay.
3. Tendency by manager and Board to spend too much time opening new markets and not increasing our own local market.
4. Difficulty in keeping all paperwork straight.

Overall the Co-op made a profit, but it was not large enough for all the effort put forth. The Co-op did meet a lot of the objectives of putting people to work; bringing additional business into the County, and providing more income for local residents. The future, however, is not certain. The Co-op in order to operate without the Grant needs to change a lot. One suggestion is to eliminate all paid labor (and the related insurances) and operate with the members as volunteers. Another suggestion was to run more than a regular farm market, again without paid labor. A third suggestions is to close the doors. These suggestions and possibly others will be brought before the upcoming annual meeting and let the membership decide.